CHAPTER FIVE

RETENTION

The robust economy with historic and continued low levels of unemployment has and will most likely continue to create a competitive market for all types of employees, including public transit bus operators. Changing ideas around company loyalty, the transience of the American worker, rapid advancements in technology and ready access to information have also affected the ability of transit agencies to retain qualified workers. Add to this the traditionally challenging aspects of bus operator jobs such as split shifts, environmental working conditions, traffic, and the potential for interactions with the public, and the retention of qualified bus operators can become a challenge.

Many of the surveyed transit agencies reported that they needed ways of reducing the loss of employees to other employment opportunities, and believed that was ultimately going to happen through improving the working conditions of bus operators. Some of the job conditions they thought could affect retention included improving schedules, increasing pay, offering growth opportunities, adding more short-term rewards such as safety awards, and employee recognition programs. A number of respondents indicated that the need to address probationary turnover and turnover in the first year of employment was critical.

TURNOVER

Average turnover across all agencies was 10.9 percent. Most of that turnover (6.9 percent) was voluntary. Smaller agencies (those that have 67 to 258 operators) were characterized by lower overall turnover (9.4 percent) in comparison to larger agencies (those having 472 to 2,150 operators, 11.1 percent). For a graph of these findings see Figure 10.

Several comparisons were made between turnover and various factors to identify potential relationships. In one comparison, agencies with higher turnover rates were found to be more likely to have measurement-of-performance documents and were also more likely to use their performance evaluations for discipline or termination. Agencies with performance evaluators trained to give feedback were also likely to have higher voluntary turnover, perhaps speaking to the ability of evaluators to coach poor performers into self-separation decisions. Agencies with higher turnover rates were found to be less likely to use a structured type of interview. Less structured interviews may imply a less objective selection process, which investigators suggest would be more likely to select weaker candidates.

TWO VIEWS OF TURNOVER

Turnover can be viewed as either functional (it serves the interest of the agency) or dysfunctional (it does not serve the interests of the agency) (*22*). Voluntary and involuntary turnover can be viewed as functional when an operator who terminates has not been able to develop, apply, or maintain the skill and will necessary to serve the agency's interest. Turnover is functional when an operator's performance has placed the agency at risk, incurred inappropriate costs, resulted in actual or potential loss of ridership,
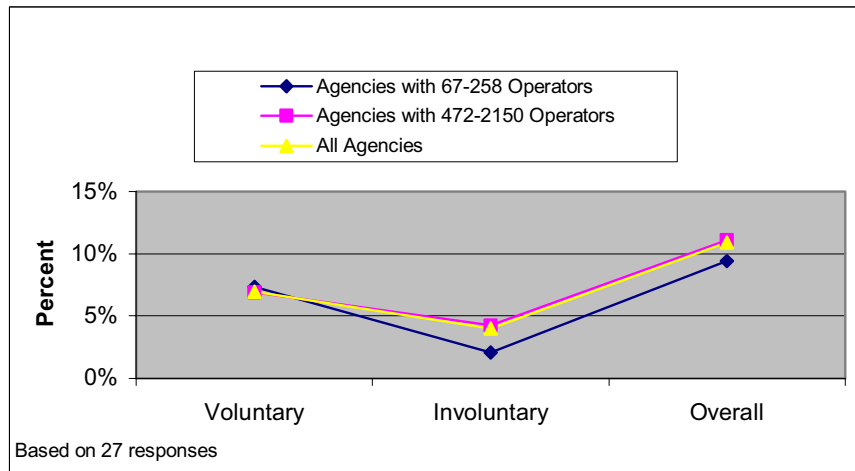

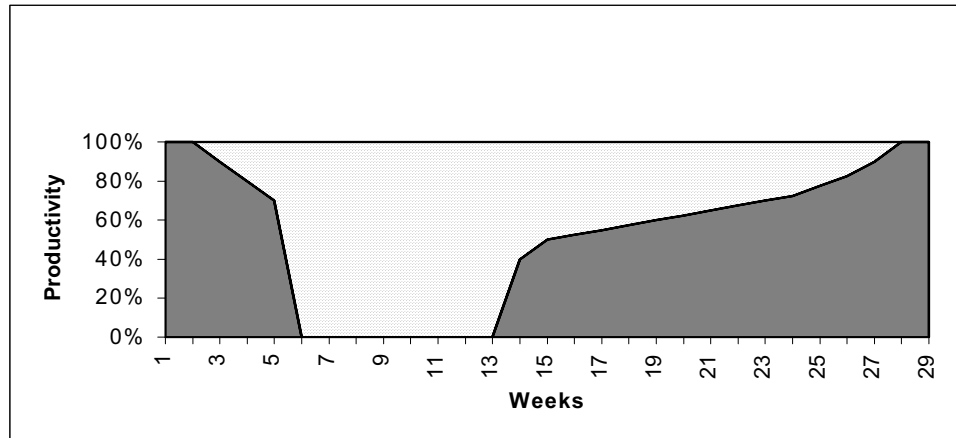FIGURE 10 Bus operator turnover in surveyed agencies.

FIGURE 11 Hidden cost of turnover; lost productivity from decision to leave until replacement is hired and proficient.

reduced customer satisfaction, raised safety concerns, impacted operational efficiency, incurred actual or potential legal or benefit liability, or created an actual or potential negative impact on the agency culture.

Voluntary and involuntary turnover can be viewed as dysfunctional when the separated operator's performance quality enhanced the organization's ability to meet its mission. Adequately performing bus operators who leave an agency create a loss of institutional knowledge, a loss of "sunk" recruitment and training costs (those employees responsible for recruitment, selection, and training), the necessity of incurring new recruitment and training costs, and actual or potential interruption to the quality of service to customers. Additionally, turnover can be dysfunctional when it results from the organization's failure to meet realistic employee expectations about adequate training, competitive pay and benefits, working conditions, fair and equitable treatment, opportunities for advancement or personal development, or responsiveness to employee needs outside the workplace. This kind of information can often be deduced from summaries of exit interviews or surveys of terminated employees.

REAL COST OF REPLACING OPERATORS

U.S. Department of Labor statistics put the cost of replacing an employee in the $3,000 to $7,000 range, and that does not include training (3). Given the current worker shortage, this amount could increase. In transit, the typical interpretation of the cost of replacing a bus operator begins with recruitment and ends with training, and includes all costs in between, such as newspaper advertising and sunk payroll costs. Costs are also sustained through lower productivity from the time an operator decides to leave until their replacement has been hired, trained, and brought up to speed (see Figure 11). Other costs are incurred when an

agency is understaffed and requires unscheduled overtime to cover scheduled work. If operators are pressed into working too many hours, an organization might also begin to experience more human errors related to fatigue. Employee morale could suffer, and performance problems, higher absenteeism, and poor customer service might result (23). Employees leaving the organization could also produce costs to the organization in terms of the outflow of COBRA payments, unemployment insurance, and lost investments in operator support items such as uniforms.

RETENTION STRATEGIES AGENCIES USE

In an effort to better understand the balance between perceived effectiveness and cost of retention strategies, agencies were asked to identify strategies they used as a specific part of their retention efforts and to estimate their effectiveness and cost using two 5-point scales, where 5 indicated the highest effectiveness or the highest cost. A comparison of these rankings is shown in Figure 12. The first row of each strategy indicates its perceived effectiveness in improving retention and the second row indicates the strategy's perceived cost. According to this comparison, survey respondents indicated that some of their most effective retention strategies are also their most costly, such as competitive pay and benefits, and working conditions and environment.

Those techniques that were perceived as highly effective for the least cost have to do with practices that demonstrate focus on the individual and all deal with interactive process issues rather than tangible rewards. Respect for employees tops the list, and is the only one of the practices that is also in the top four most frequently used retention techniques. Equity and fairness, autonomy, opportunities to collaborate, opportunities to be creative, and exit interviews are the other effective, low-cost retention techniques. These
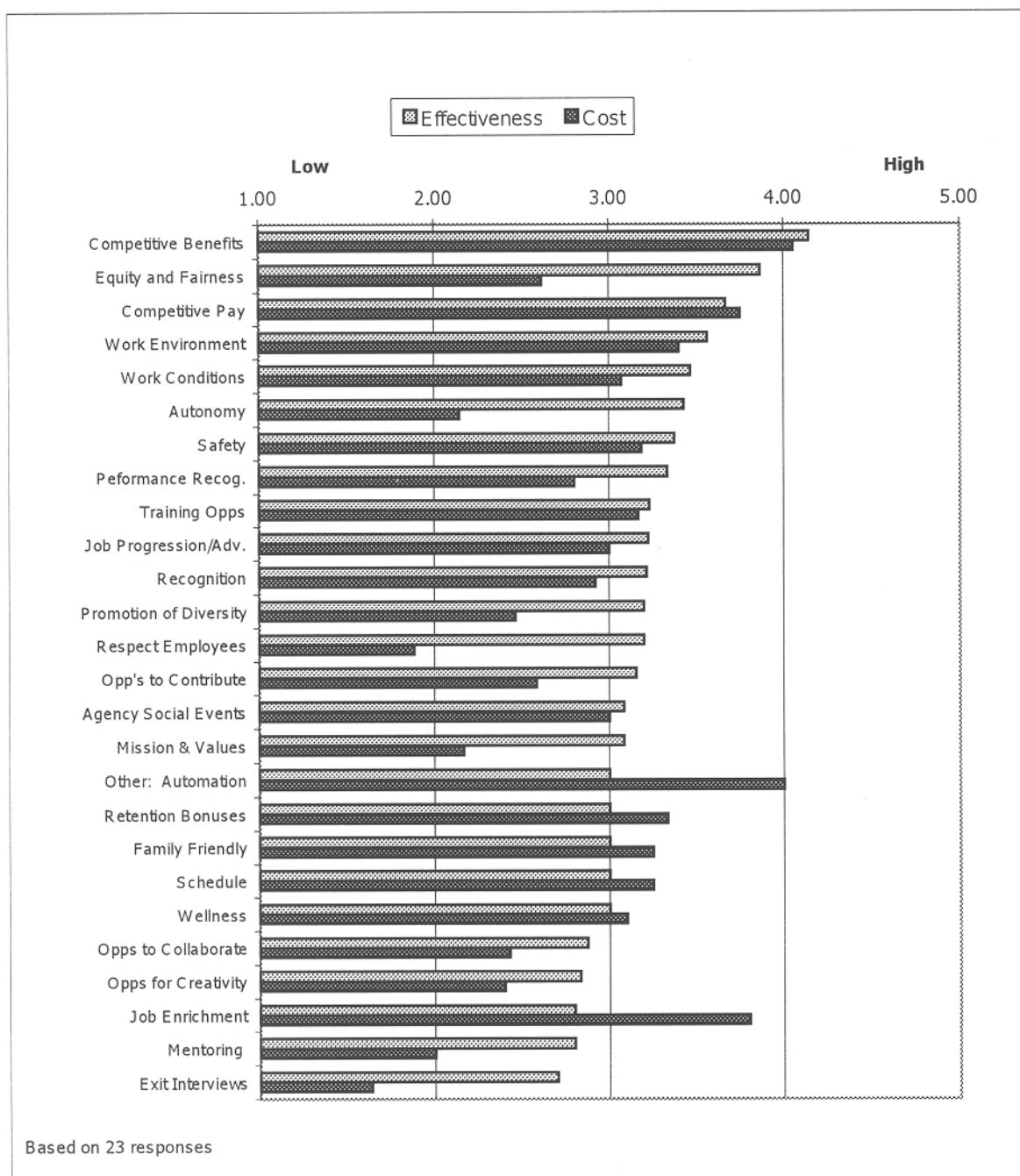
FIGURE 12 Retention strategies by effectiveness and perceived cost.

retention strategies are also shown in Table 10 rank-ordered by their perceived effectiveness.

In 1998, the Hay Group, a human resource management consulting firm, surveyed more than 300 companies, identifying employees that were committed to remaining with their employer for more than 5 years and the key factors that motivated the employees to stay (24). The following table (Table 11) compares the Hay study results of what employees value and what transit managers (from this survey) believe operators value as the most important.

Although there are some overlaps (shown in bold), the comparison illustrates potential benefits from determining what committed transit agency employees consider most important to their decisions to remain with a transit agency. Surveying current employees on what satisfies them and how it influences their intention to stay or leave the organization could be helpful in realigning agency retention efforts and resources. "An investment in mutual respect, good manners, good humor, and genuine concern for an employee creates the positive morale that builds companies. Positive morale pays dividends in safety, service, and employee loyalty" (25).

TABLE 10
RETENTION STRATEGIES RANKED BY THEIR PERCEIVED EFFECTIVENESS

Percentage of Respondents Using Strategy	Strategy	Rated Effectiveness	Rated Cost
96	Competitive benefits	4.14	4.05
70	Equity and fairness	3.87	2.62
74	Competitive pay	3.67	3.75
74	Work environment	3.56	3.40
61	Work conditions	3.47	3.07
30	Autonomy	3.43	2.14
83	Safety	3.38	3.19
78	Performance recognition	3.33	2.80
57	Training opportunities	3.23	3.17
39	Job progression/advancement	3.22	3.00
70	Recognition	3.21	2.92
61	Promotion of diversity	3.20	2.46
83	Respect employees	3.20	1.88
57	Opportunities to contribute	3.15	2.58
52	Agency social events	3.08	3.00
57	Mission and values	3.08	2.17
4	Other: automation	3.00	4.00
13	Retention bonuses	3.00	3.33
35	Family friendly	3.00	3.25
22	Schedule	3.00	3.25
57	Wellness	3.00	3.10
35	Opportunities to collaborate	2.88	2.43
22	Opportunities for creativity	2.83	2.40
17	Job enrichment	2.80	3.80
30	Mentoring	2.80	2.00
52	Exit interviews	2.70	1.64

Note: Based on 23 responses.

TABLE 11
COMPARISON OF NATIONWIDE EMPLOYEE WORK PREFERENCES SURVEY WITH
TRANSIT MANAGER PERCEPTIONS OF BUS OPERATOR PREFERENCES

What Employees Value*	What Transit Managers Believe Bus Operators Value**
Type of work	Competitive benefits
Respect	Safety
Ability of top management	**Respect**
Coaching and feedback from boss	**Performance recognition**
Opportunity to learn new skills	**Competitive pay**
Training	Work environment
Recognition	Equity and fairness
Pay	**Recognition**

*Hay Survey.
**This Survey.
Note: Overlap is shown in bold.

In similar research, to quote one author, "numerous studies have shown that when people are asked what is most important to them about work, money ranks well behind such factors as interesting work or good people to work with. (Interestingly, when managers are asked what matters most to their employees, they tend to rank money at the top of the list then proceed to manage on the basis of that error)" (*26*). This is not to say that pay is not important or that it doesn't matter to bus operators. Bus operators aren't likely to want to drop their standard of living, so it's important that the combination of pay rate times hours worked is both acceptable and dependable (*27*). "When

people move on, nine times out of 10 it's not because they're dissatisfied with the money they're being paid" (*28*).

Communication

In a recent survey of more than 4,000 human resource professionals across many professions, the majority (71 percent) were trying to improve retention primarily by facilitating better communication throughout their organizations. This represents a near doubling of that approach from what these professionals were trying the previous

year (*29*). Steve Tarnoff, managing editor of a human resource website, suggests that this substantial increase is due to "research showing that when salary and benefits are equal, employees gravitate to workplaces where they feel valued, have good working relationships with the managers, and understand how their work contributes to the organization's objectives" (*30*).

A number of survey respondents are making efforts to improve communications within their agencies. For example, Montebello Bus Lines feels that their open door management policy works. Operators know they can come and vent about problems or just talk about bad days. There's an open channel of communication and mutual respect between managers and operators, which sends an important message that bus operators are valued.

SunLine Transit Agency in Palm Springs, California, has made open communications with labor a standard operating procedure. Their general manager indicates "I began to try to put the union in the context of my job, which was to manage the organization. In that sense, I understood that the union plays a very important role" (*31*). The organization developed a practice of working with the union on any issue, on the premise that there are always two sides to any story. Although they have a ground rule that there is no negotiating when it comes to customer service, the agency and the union have worked through and resolved some difficult challenges, and are building a lasting trust. SunLine's union partnership supports the interests of the union in some unusual ways, including letting the union actively solicit members at the annual company barbecue and posting the union newsletter in the lobby. Management attends union meetings, and although there are some criticisms, the end result is one of mutual understanding rather than antagonism.

Communications between bus operators and maintenance staff have been improved at Madison County Transit in Granite City, Illinois, through their new Driver Inspection System. This is an easy-to-use interactive computer system where bus operators can request specific maintenance, which is automatically prioritized and scheduled around regular routines. After performing any repairs, mechanics update the system records with repair status and any notes regarding those repairs. When bus operators return to work, they can log onto the system and get accurate, timely information on the status of their request and know that their requests have been received and are being acted upon (*32*).

Benefits

According to a year 2000 Arthur Andersen survey of the health and welfare benefit plans of over 450 U.S. organizations, employers are providing more medical coverage to part-time employees, and are finding that employees are selecting more flexible Preferred Provider Option plans over Point-of-Service and Health Maintenance Organization options (*33*). Employers are also enhancing their fringe benefits, with two of the most prominent changes for 2000 being increased long-term care and childcare services (including childcare reimbursement). Some employers are offering extremely flexible benefit plans, where employees earn "benefit credits" (based upon their family situation), which they can spend as they please. This kind of program is especially responsive to employees of different ages, with different sizes of families, and different lifestyles. Employees with families will value a particular kind of benefit package that might not be as attractive to employees anticipating retirement. These kinds of programs allow employees to select individual benefit options to create unique, customized benefit plans.

Elsewhere, some organizations have demonstrated the value they place in retaining good employees by offering benefit coverage for same sex life partners.

Bay Metro Transit in Bay City, Michigan, was one of the few transit agencies not understaffed in 1999. They believe that their benefits have a significant role in retaining employees. That, and because it is a nice city to drive in. Instead of sick leave, they offer up to 30 days off per year for operators (new operators receive 20 and build up to 30), which can be used for sick leave or for any reason. They also feel that their medical benefits are a major factor. They offer a Blue Cross plan that is 100 percent employer paid with only a $5 prescription co-pay and a $10 office co-pay. The medical insurance follows employees through retirement, up to 65 years of age. Bay Metro also offers life insurance that goes with the employee upon retirement. This retirement program is employer-paid through the Michigan Employee Retirement Program, although employees may also make contributions.

Recognition

The degree to which employees perceive that they are appreciated can play an important role in an employee's retention decision. The options for recognizing employees are literally endless and can range from informal efforts, such as regular contact and information sharing, to more formal or structured efforts, such as award presentations or gifts of value. Safety awards, Bus Roadeo involvement, agency barbecues, and annual banquets are among the ways that transit agencies apply their resources in an effort to send the message to bus operators that their quality service is needed and appreciated.

One agency recognized the achievements of an employee by placing an article in *Metro Magazine* (*34*). It fea-

tured a Charlotte Transit bus operator with 51 years of service, who never had an accident over more than 1.2 million miles of driving, during which he carried more than a million customers. In the article, this operator gave the following seven tips on how other operators might be safer, better drivers: (1) don't make gutsy moves, (2) block out distractions, (3) love your bus, (4) never accelerate through an intersection, (5) don't argue with passengers, (6) if it smells bad, it is (yield the right-of-way as necessary), and (7) shape up (as in sleep and exercise) or ship out.

Work Environment

Work environment is a broad term that includes the facilities, equipment, and other job tools that are part of an employee's work day. Drivers spend some time at their facilities each day, preparing for their shifts, relaxing between shifts, and transitioning after work. Facility design and maintenance can be a tangible indicator of an agency management's willingness to support a career investment by operators. Providing equipment that is well-serviced, comfortable, and reliable can be an important consideration for an operator; poorly maintained or marginal equipment makes the operator's job less pleasant and in some cases more difficult. Coaches are the main tools of the operator's job and their quality could be an important factor in a driver's decision to remain with the agency. Having realistic schedules with some time for breaks and personal relief can also be important. Other tools of the job, such as accurate and plentiful route schedules, readable and up-to-date block sheets, reliable radios, and on-bus security features can also be elements of bus operator satisfaction.

At Montebello Bus Lines there is now a new, state-of-the-art facility that they believe has contributed to improved operator retention. The new facility includes a fitness center, pool table, big screen television, individual lockers, showers, a quiet room, and new and/or well-maintained vehicles to drive.

Mentors

Mentors are both friend and shepherd at the Duluth Transit Authority. Their very successful mentor program has been in place for 18 months. It begins with a group of mentors/bus operators meeting with a group of trainees for a free-flowing discussion period. The mentors give real job information and scenarios and the trainees are free to ask any questions. For a period of time, mentors "shepherd" the new employee. According to the director of operations this is important because the new employees are on their own on the bus and do not always feel supported. The mentor and new employee are in ready communication.

This mentoring relationship makes it easier for new employees to feel like they have a friend whom they can rely upon, ask questions, and get ideas about where to find resources. In turn, the mentor periodically calls and checks on their new employee. The mentors are tenured employees with excellent service records. Duluth has found their program to be very successful in providing a dependable resource for new employees, and it has also allowed Duluth to recognize outstanding operators with additional responsibilities, trust, and respect. For more discussion of mentoring programs in this synthesis, see the Transition to Work subsection of Training, in chapter 3.

RETENTION GOALS

Eleven percent of survey respondents have set specific retention goals as part of their strategic plan. Capital Metro in Austin, Texas; San Diego Transit in California; and the Utah Transit Authority in Salt Lake City, Utah, have set bus operator turnover reduction goals. Staffing has frequently been part of transit's strategic outlook and these properties are going one step further and emphasizing that reduction of turnover is a key element in meeting staff planning goals.

DATA USED IN PLANNING RETENTION EFFORTS

Just under one-half of all respondents use statistics or exit information in measuring the effectiveness of their retention strategies. A summary of those findings is found in Table 12.

TABLE 12
STATISTICS AND TURNOVER INFORMATION USED IN RETENTION PLANNING

Type of Statistic or Information Used	Percent Respondents
Voluntary and involuntary turnover	46
Exit interviews (reasons for termination and feedback)	30
Turnover differences between operator classifications	22
Average length of service	22
Current operator feedback	22

Note: Percentages based on 23 responses.

Some of the ways that transit can measure their retention efforts include (1) measuring the per person cost of voluntary and involuntary turnover, (2) differentiating turnover between bus operator classifications, (3) determining if there is a relationship between length of service and turnover, and (4) determining if there are certain times when the number of terminations is higher.

EXIT INTERVIEWS

Survey results found that 67 percent of properties conduct exit interviews and 30 percent use the exit interview data to inform their retention planning. Larger agencies were more likely to use these statistics in their retention efforts. Most exit interviews (80 percent) are handled in human resources, typically by a representative, analyst, or officer and sometimes by a director or manager. About one-third of respondents indicated that they forwarded their exit interviews to a third party for use, one-third documented them, and one-third used them in general statistics describing operations or organizational turnover.

The exit interview, if done well, can be a rich source of data about the effectiveness of organizational efforts to retain quality people. There are many reasons why individuals leave agencies; some are personal and others may have no relevance to what an organization does or does not do to keep its employees (for example, a spouse being transferred). However, individual motivators to resign, as well as what can be aggregated from the data, can provide immediate and effective data over time, that can be constructively used to proactively address future turnover. Additionally, these data can be used to test the organization's assumptions about what factors influence retention. For example, whereas an organization may believe it has recognition and reward practices that are valued by employees, they may find that exiting employees find these practices misdirected or insufficient. Some experts suggest that exit interview surveys administered weeks after separation allow former employees a chance to reflect.